



Financing Alternatives Comparison Tool

Financing Alternatives Comparison Tool (FACT) is a financial analysis tool that compares the costs associated with various financing options for water infrastructure projects. This tool produces a comprehensive analysis that incorporates financing, regulatory, and other important costs. **FACT** will help potential borrowers carefully weigh their financing options.

Key Features:

- Compares multiple financing options for a specific water infrastructure project.
- Setup financing options using multiple funding sources (e.g., a project that is partially funded by a grant with the remaining amount financed by a SRF loan).
- Use "Typical Values" for unknown financing and annual costs. This allows users to incorporate these important costs when the data may not be readily available.
- Provides line items labeled "Other". This allows users to include customized costs that may occur with specific analyses.
- Contains a detailed help file, which includes a glossary that defines all assumptions and costs entered by the user.

FACT demonstrates the results of a comparative analysis by creating the following:

Summary Report: Side by side comparison of the various financing options using key financial figures. (e.g., Total Cost, Average Annual Cost, Net Present Value)

Detailed Cost Schedule: Tracks disbursements, debt service payments, and other relevant costs throughout the life of a financing option.

Annual Cost Graph: Line graph that tracks and compares annual costs of various financing options over time.

Cumulative Cost Graph: Line graph that tracks and compares total costs of various financing options over time.

FACT will greatly assist potential borrowers in identifying the most cost effective method to fund a water infrastructure project.

FACT was developed under contract for the US Environmental Protection Agency (EPA) by Northbridge Environmental Management Consultants. Special thanks to the individuals who contributed their time and effort to the development and testing of this tool.

A copy of **FACT** can be downloaded at <http://www.epa.gov/owm/cwfinance/cwsrf/fact.htm>

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